

Indirect Costs Pertaining to Victim Services Projects

Purpose:

A, To clarify Victims of Crime Act (VOCA) Final Rule as it pertains to requests for administrative costs and B, to clarify 2 CFR 200.414 as applied to SCDPS – OHSJP awards under the Victims of Crime Act (VOCA), Violence Against Women Act (VAWA), and State Victims Assistance Program (SVAP) funds.

Federal Authority:

A, Office for Victims of Crime (OVC) Final Rule for VOCA

<https://www.federalregister.gov/documents/2016/07/08/2016-16085/victims-of-crime-act-victim-assistance-program>

B, Executive Office of the President, Office of Management and Budget (OMB) Administrative Requirement, Cost Principles, and Audit Requirements for Federal awards located in Title 2 of the Code of Federal Regulations.

Scope and Affected Entities:

All current and potential subgrantees of Victims of Crime Act (VOCA), Violence Against Women Act (VAWA), and State Victims Assistance Program (SVAP) funds.

POLICY VS 2017-005

I. Policy Statement

To allow subgrantees to take full advantage of changes to the Federal guidelines and VOCA rules, offset the costs of the administration of VOCA projects, increase the effectiveness of the staff that provide direct services to victims, staff who are being supported by administrative staff, and in adherence to the VOCA Final Rule governing the allowable costs for VOCA, the SCDPS – OHSJP now will allow the use of a Negotiated Indirect Cost Rate, OR allow the use of a 10% de minimis cost rate.

II. Procedure

VOCA applications must be submitted via the SCDPS Grants Management Information System (GMIS) by the deadline listed in the solicitation.

A. The original application request may include administrative costs listed in the “Other” Category, OR may elect to use an Indirect Cost Rate.

1. Only original applications requesting an Indirect Cost Rate at submission will be considered for approval for Indirect costs.
2. Indirect cost elections will not be allowed as a revision to the award.
3. Agencies asking to use this rate, after determining eligibility, must certify that the agency has never had a negotiated cost rate.

B. Indirect Cost Rate

1. Subrecipients may use a state negotiated indirect cost rate or a rate negotiated between the pass-through entity and the subrecipient (in compliance with 2 C.F.R. Part 200), on CNCS awards.

2. Eligible non-federal entities may elect to use a flat de minimis rate of 10% of modified total direct costs (MTDC).
3. Non-federal entities may charge costs directly (Direct Charge) as long as those costs are charged the same consistently across all federal awards. The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if conditions as outlined in 2 C.F.R. §200.413 are met:

C. De Minimis Cost Rate of 10% of modified total direct costs (MTDC)

1. The de minimis rate of 10% of modified total direct costs (MTDC):
 - a) is accepted by the federal agency without any review of actual costs –
 - b) is allowable for use until such time as the agency elects to negotiate a rate.
 - c) must be used consistently across all federal awards (unless there is a statutory exception under certain federal programs)
2. The following are eligible to use the de minimis rate of 10% of modified total direct costs (MTDC): •
 - a) Non-federal entities which have never held a negotiated rate are eligible to elect the de minimis rate of 10% of modified total direct costs (MTDC).
3. The following are ineligible to use the de minimis rate of 10% of modified total direct costs (MTDC): •
 - a) State or Local Governments and Indian Tribes receiving over \$35M in direct federal funding are not eligible to elect the 10% de minimis rate of MTDC. (2 CFR §200 Appendix VII D(1)b1) •
 - b) Non-federal entities that have now, or have had in the past, a negotiated indirect cost rate or approved cost allocation plan.
 - c) NOTE: Cost Allocation Plans are specific to state, local, and tribal governments and not nonprofits.
 - d)
4. §200.68 Modified Total Direct Cost (MTDC). means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, and the portion of each subaward in excess of \$25,000. • Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs. (2 C.F.R. §200.68)

Included in MTDC Calculation

Salaries and Fringe Benefits
Materials and Supplies
Services
Travel

Excluded from MTDC Calculation

Equipment
Tuition Costs
Rental Costs
Funds allocated specifically as victim support or

reimbursement for emergency
or transitional expenses